

## **MINUTES**

### **MONTANA SENATE 59th LEGISLATURE - REGULAR SESSION**

#### **COMMITTEE ON TAXATION**

**Call to Order:** By **SEN. KEN TOOLE**, on April 12, 2005 at 8 A.M.,  
in Room 405 Capitol.

#### **ROLL CALL**

**Members Present:**

Sen. Jim Elliott, Chairman (D)  
Sen. Jerry W. Black (R)  
Sen. Jeff Essmann (R)  
Sen. Kelly Gebhardt (R)  
Sen. Kim Gillan (D)  
Sen. Dan Harrington (D)  
Sen. Sam Kitzenberg (R)  
Sen. Bob Story Jr. (R)  
Sen. Ken Toole (D)

**Members Excused:** Sen. Jon Ellingson (D)  
Sen. Trudi Schmidt (D)

**Members Absent:** None.

**Staff Present:** Kathleen Ely, Committee Secretary  
Lee Heiman, Legislative Branch

**Audio Committees:** These minutes are in outline form only. They provide a list of participants and a record of official action taken by the committee. The link to the audio recording of the meeting is available on the Legislative Branch website.

**Committee Business Summary:**

Hearing & Date Posted: HB 802, 4/5/2005; HB 776, 4/5/2005;  
HB 756, 4/5/2005;  
Executive Action: HB 410, HB 529, HB 584, HB 667,  
HB 689, HB 716, HB 756, HB 758, HB  
HB 776, HB 802, HB 475,

00:00:14

**HEARING ON HB 802**

**Opening Statement by Sponsor:**

REP. ALAN OLSON (R), HD 45, opened the hearing on HB 802, Eliminate annual permit surcharge fee for video gambling machines.

**Proponents' Testimony:**

00:00:38 Rich Miller

0:01:55 Ronda Carpenter-Wiggers, MCMOA

**Opponents' Testimony:** None.

**Informational Testimony:**

00:03:04 Gene Huntington, Department of Justice

**Questions from Committee Members and Responses:** None.

00:03:25

**Closing by Sponsor:**

00:04:57

**HEARING ON HB 776**

**Opening Statement by Sponsor:**

REP. HOLLY RASER (D), HD 98, opened the hearing on HB 776, Revise law on taxation of biodiesel and provide incentives.

**Proponents' Testimony:**

00:21:15 SEN. DANIEL MCGEE, SD 29

00:25:37 Art Compton, Department of Environmental Quality

00:27:40 Nancy Schlepz, Montana Farm Bureau

00:28:19 Barry "Spook" Stang, Montana Motor Carriers  
Association

00:29:59 Chris Christiaens, Montana Farmers Union

00:31:21 Gail Abercrombie, Montana Petroleum Association

00:33:19 Ronda Alexander, Montana Petroleum Marketers  
Association

00:35:37 Nancy Lien Griffin, Madison Lumber Company

**EXHIBIT** (tas78a01)

00:39:07           SEN. JIM ELLIOTT arrives.

00:44:16           Barbara Grover, Women Involved in Farm Economics

00:44:32           Richard Owen, Montana Graingrowers Association

00:45:04           David Max, Sustainable Systems LLC

**EXHIBIT** (tas78a02)

00:49:17           Michele Reinhart, Northern Plains Resource Center

00:49:34           Leslie McClean, Montana Environmental Information  
Center

00:49:59           SEN. TOOLE ruled that the hearings on HB 776 and  
HB 757 would be combined.

00:51:06

**HEARING ON HB 756**

**Opening Statement by Sponsor:**

REP. GAIL GUTSCHE (D), HD 99, opened the hearing on HB 756,  
Encourage production and use of biodiesel.

**Proponents' Testimony:**

00:53:43           Art Compton, Department of Environmental Quality

00:54:31           Nancy Schlepz, Montana Farm Bureau, Montana Grain  
Growers, Montana Farm?

00:54:55           Barry "Spook" Stang, Montana Motor Carriers  
Association

00:55:10           Leslie McClean, Montana Environmental Information  
Center

00:55:15           Michele Reinhart, Northern Plains Resource Center

00:55:21           David Max, Sustainable Systems LLC

**Opponents' Testimony:** None.

**Informational Testimony:**

00:55:58           Showna McHugh, Department of Revenue

00:56:16           Bob Turner, Department of Transportation

00:56:35

**Questions from Committee Members and Responses:**

01:06:03

**Closing by Sponsor:** REP. GAIL GUTSCHE, HD 99

01:07:17

**Closing by Sponsor:** REP. HOLLY RASER, HD 98

01:09:13            Recess

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01:16:11

**HEARING ON HB 703**

**Opening Statement by Sponsor:**

REP. BOB BERGREN (D), HD 33, opened the hearing on **HB 703**, Revise method of determining value of railroad systems for property tax purposes.

**EXHIBIT**(tas78a03)

**EXHIBIT**(tas78a04)

**Proponents' Testimony:**

01:23:53            Richard Owen, Montana Grain Growers  
01:26:15            Dave McClure, Montana Farm Bureau  
01:29:07            Chris Christiaens, Montana Farm Union  
01:31:25            Jim Mular, Retired Burlington Northern Employer

**Opponents' Testimony:**

01:36:02            Pat Keim, Burlington Northern Santa Fe Railroa

**EXHIBIT**(tas78a05)

01:53:51            Alec Vincent, General Director of Taxes, BNSF  
                     Railway Company

**EXHIBIT**(tas78a06)

**EXHIBIT**(tas78a07)

01:58:17            Mary Whittinghill, Montana Taxpayers Association  
02:00:53            Ed Bartlett, Union Pacific Railroad

**Informational Testimony:**

02:01:57            Gene Walborn, Department of Revenue

02:03:29

**Questions from Committee Members and Responses:**

02:38:54

Closing by Sponsor:

[EXHIBIT](#)(tas78a08)

02:47:04

HEARING ON HB 584

Opening Statement by Sponsor:

REP. CHRISTOPHER HARRIS (D), HD 66, opened the hearing on HB 584, Promote growth of film and other media in Montana.

Proponents' Testimony:

02:54:11 Evan Barrett, Governor's Office of Economic  
Development  
02:55:48 Patrick Markey, Film Producer  
02:56:56 Bob Ebinger, City of Livingston, Livingston  
Chamber of Commerce

[EXHIBIT](#)(tas78a09)

02:59:05 Stan Iverson

[EXHIBIT](#)(tas78a10)

[EXHIBIT](#)(tas78a11)

[EXHIBIT](#)(tas78a12)

[EXHIBIT](#)(tas78a13)

03:01:25 Troy Bertelson

[EXHIBIT](#)(tas78a14)

03:05:08 Robert Kollar  
03:08:30 Sean Becker, Fiscal Analyst  
03:11:11 Mary Ann Connard  
03:12:23 J.P. Gabriel

[EXHIBIT](#)(tas78a15)

03:14:33 Diane Camp Campbell  
03:18:50 Brian Markey  
03:23:04 Carl Kochman, Montana Ambassadors, Tourism  
Advisory Board, Montana Chamber of Commerce  
03:23:35 Megan Dumas, Associated Students of Montana State  
University

03:23:58 Chris Mangano, Montana State University film  
student  
03:24:50 Kathy Conover, Commissioner of Higher Education,  
Montana State University  
03:25:51 Mart Bara, Montana Innkeepers Association  
03:26:28 Aimee Grmllej, Montana Tourism Board?  
03:27:07 Cagder Thompson, Montana State University film  
student

**Opponents' Testimony:**

**Informational Testimony:**

03:28:35 Gene Walborn, Department of Revenue  
03:28:47 Dave Ohler, Department of Revenue

03:29:02

**Questions from Committee Members and Responses:**

03:41:54

**Closing by Sponsor:**

[EXHIBIT](#)(tas78a16)

[EXHIBIT](#)(tas78a17)

03:44:56 SEN. HARRINGTON in the Chair.  
HEARING ON HB 569

**Opening Statement by Sponsor:**

REP. WALTER MCNUTT (R), HD 37, opened the hearing on HB 569,  
Clarify classification and valuation of oil and gas pipelines.

**Proponents' Testimony:**

03:45:47 John Alke, Fidelity Exploration and Production Co.

[EXHIBIT](#)(tas78a18)

03:55:45 Gail Abercrombie, Montana Petroleum Association  
03:57:50 Jerome Anderson, Encore Acquisition Company  
03:58:57 Mary Whittinghill, Montana Taxpayers Association  
04:00:34 Patrick Montalban, Northern Montana Gas and Oil  
Producers

**Opponents' Testimony:**

04:01:54 Gene Walborn, Department of Revenue

04:05:27           Willy Duffield, Montana Association of Coal, Oil  
                    and Gas Counties

Informational Testimony: None.

Questions from Committee Members and Responses: None.

04:08:21

Closing by Sponsor:

12:22 p.m.       Recess.

4:03 p.m.       Reconvened. SEN. ELLIOTT in the Chair.

04:11:05

EXECUTIVE ACTION ON HB 410

Motion: SEN. TOOLE moved that HB 410 BE CONCURRED IN.

Substitute Motion/Vote: SEN. STORY made a substitute motion that HB 410 BE TABLED. Substitute motion carried 6-5 by roll call vote with SEN. ELLINGSON, SEN. GILLAN, SEN. HARRINGTON, SEN. KITZENBERG, and SEN. TOOLE voting no. SEN. BLACK and SEN. SCHMIDT voting aye by proxy. SEN. ELLINGSON voting no by proxy.

04:14:09

EXECUTIVE ACTION ON HB 529

Motion: SEN. TOOLE moved that HB 529 BE CONCURRED IN.

Motion/Vote: SEN. TOOLE moved that HB 529 BE AMENDED. Motion carried unanimously by voice vote.

[EXHIBIT](#)(tas78a19)

Motion/Vote: SEN. TOOLE moved that HB 549 BE CONCURRED IN AS AMENDED. Motion carried unanimously by voice vote. SEN. GILLAN will carry the bill.

04:18:26

EXECUTIVE ACTION ON HB 584

Motion: SEN. TOOLE moved that HB 584 BE CONCURRED IN.

Motion/Vote: SEN. TOOLE moved that HB 584 BE AMENDED. Motion carried 7-4 by roll call vote. SEN. ELLIOTT, SEN. GEBHARDT, SEN. GILLAN, and SEN. STORY voting no. SEN. BLACK, SEN. ELLINGSON, and SEN. SCHMIDT voting aye by proxy.

EXHIBIT(tas78a20)

Motion/Vote: SEN. TOOLE moved that HB 584 BE AMENDED. Motion carried 6-5 by roll call vote. SEN. BLACK, SEN. ELLIOTT, SEN. GEBHARDT, SEN. GILLAN, and SEN. STORY voting no. SEN. ELLINGSON and SEN. SCHMIDT voting aye by proxy.

EXHIBIT(tas78a21)

Motion/Vote: SEN. TOOLE moved that HB 584 BE CONCURRED IN AS AMENDED. Motion failed 5-6 by roll call vote with SEN. ELLINGSON, SEN. HARRINGTON, SEN. KITZENBERG, SEN. SCHMIDT, and SEN. TOOLE voting aye. SEN. ELLINGSON, and SEN. SCHMIDT voting aye by proxy. SEN. BLACK voting no by proxy.

04:48:42

EXECUTIVE ACTION ON HB 667

Motion: SEN. TOOLE moved that HB 667 BE CONCURRED IN.

Motion/Vote: SEN. TOOLE moved that HB 667 BE AMENDED. Motion carried unanimously by voice vote.

Motion/Vote: SEN. ESSMANN moved that HB 667 BE AMENDED. Motion carried unanimously by voice vote.

EXHIBIT(tas78a22)

04:43:44

Erin McGowan, State Auditors Office

Motion/Vote: SEN. ELLIOTT moved that HB 667 BE CONCURRED IN AS AMENDED. Motion carried 6-2 by voice vote with SEN. ESSMANN and SEN. STORY voting no. SEN. GILLAN will carry the bill.

EXHIBIT(tas78a23)

05:03:25

EXECUTIVE ACTION ON HB 689

Motion: SEN. TOOLE moved that HB 689 BE CONCURRED IN.

Motion/Vote: SEN. STORY moved that HB 689 BE AMENDED. Motion carried unanimously by voice vote.

EXHIBIT(tas78a24)



Motion/Vote: SEN. TOOLE moved that HB 689 BE CONCURRED IN AS AMENDED. Motion carried unanimously by voice vote. SEN. ESSMANN will carry the bill.

05:05:21

EXECUTIVE ACTION ON HB 716

Motion/Vote: SEN. HARRINGTON moved that HB 716 BE TABLED. Motion carried 6-5 by roll call vote with SEN. BLACK, SEN. ESSMANN, SEN. GEBHARDT, SEN. KITZENBERG, and SEN. STORY voting no. SEN. ELLINGSON, and SEN. SCHMIDT voting aye by proxy. SEN. BLACK voting no by proxy.

05:07:01

EXECUTIVE ACTION ON HB 756

Motion/Vote: SEN. TOOLE moved that HB 756 BE CONCURRED IN. Motion carried unanimously by voice vote. SEN. MCGEE will carry the bill.

05:08:11

EXECUTIVE ACTION ON HB 758

Motion/Vote: SEN. TOOLE moved that HB 758 BE CONCURRED IN. Motion carried unanimously by voice vote. SEN. GEBHARDT will carry the bill.

05:09:07

EXECUTIVE ACTION ON HB 776

Motion/Vote: SEN. TOOLE moved that HB 776 BE CONCURRED IN. Motion carried unanimously by voice vote. SEN. MCGEE will carry the bill.

05:09:42

EXECUTIVE ACTION ON HB 802

Motion: SEN. STORY moved that HB 802 BE CONCURRED IN.

05:04:50

Ronda Carpenter-Wiggers, Montana Coin Machine Operators

Motion/Vote: SEN. TOOLE moved that HB 802 BE AMENDED. Motion failed 4-7 by roll call vote with SEN. ELLINGSON, SEN. ESSMANN, SEN. HARRINGTON, and SEN. TOOLE voting aye. SEN. ELLINGSON, and SEN. SCHMIDT voting aye by proxy. SEN. BLACK voting no by proxy.

Motion/Vote: SEN. GEBHARDT moved that HB 802 BE CONCURRED.  
Motion passed 6-5 by roll call vote with SEN. ELLINGSON, SEN. GILLAN, SEN. HARRINGTON, SEN. KITZENBERG, SEN. SCHMIDT, and SEN. TOOLE voting aye. SEN. BLACK voting aye by proxy. SEN. ELLINGSON and SEN. SCHMIDT voting no by proxy. SEN. GEBHARDT will carry the bill.

05:23:21

EXECUTIVE ACTION ON HB 475

Motion/Vote: SEN. GILLAN moved to RECONSIDER ACTION on HB 475. Motion carried 5-4 by voice vote with SEN. BLACK, SEN. ESSMANN, SEN. KITZENBERG, and SEN. STORY voting no. SEN. BLACK voting no by proxy.

SEN. GILLAN withdrew the motion.

**ADJOURNMENT**

Adjournment: 5:30 P.M.

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SEN. JIM ELLIOTT, Chairman

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KATHLEEN ELY, Secretary

JE/ke

Additional Exhibits:

**EXHIBIT ([tas78aad0.PDF](#))**